

**Monthly Operating Report**  
Accrual Basis

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
| <b>CASE NUMBER:</b> | 16-33174-hdh-11                   |
| <b>JUDGE:</b>       |                                   |

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN & EASTERN DISTRICTS OF TEXAS**  
**REGION 6**

**MONTHLY OPERATING REPORT**

**MONTH ENDING:** October 2017  
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

**RESPONSIBLE PARTY:**

  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Jason Searcy  
PRINTED NAME OF RESPONSIBLE PARTY

  
TITLE

12-4-17  
DATE

**PREPARER:**

  
ORIGINAL SIGNATURE OF PREPARER

Robert W. Peddy, CPA  
PRINTED NAME OF PREPARER

C.P.A.  
TITLE

11/30/17  
DATE

**Monthly Operating Report**

Accrual Basis - 1

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
| <b>CASE NUMBER:</b> | 16-33174-hdh-11                   |

**COMPARATIVE BALANCE SHEET**

|   | SCHEDULE<br>AMOUNT | August 2017      | September 2017   | October 2017     |
|---|--------------------|------------------|------------------|------------------|
| <b>ASSETS</b>   |                    |                  |                  |                  |
| 1. UNRESTRICTED CASH                                    | \$ 13,968          | \$ 66,774        | \$ 203,062       | \$ 116,880       |
| 2. RESTRICTED CASH                                      |                    |                  |                  |                  |
| 3. TOTAL CASH   | \$ 13,968          | \$ 66,774        | \$ 203,062       | \$ 116,880       |
| 4. ACCOUNTS RECEIVABLE (NET)                            |                    | \$ 17,978        | \$ 36,943        | \$ 23,363        |
| 5. INVENTORY  |                    |                  |                  |                  |
| 6. NOTES RECEIVABLE                                     |                    |                  |                  |                  |
| 7. PREPAID EXPENSES                                     |                    |                  |                  |                  |
| 8. OTHER (ATTACH LIST)                                  |                    |                  |                  |                  |
| 9. TOTAL CURRENT ASSETS                                 |                    | \$ 84,752        | \$ 240,005       | \$ 140,244       |
| 10. PROPERTY, PLANT & EQUIPMENT                         | \$ 19,036,130      | \$ 20,277,709    | \$ 20,277,709    | \$ 20,277,709    |
| 11. LESS: ACCUMULATED DEPRECIATION/ DE                  | \$ (1,032,906)     | \$ (1,056,084)   | \$ (1,056,084)   | \$ (1,056,084)   |
| 12. NET PROPERTY, PLANT & EQUIPMENT                     | \$ 18,003,224      | \$ 19,221,625    | \$ 19,221,625    | \$ 19,221,625    |
| 13. DUE FROM INSIDERS                                   |                    |                  |                  |                  |
| 14. OTHER ASSETS - NET OF AMORTIZATION<br>(ATTACH LIST) |                    |                  |                  |                  |
| 15. OTHER (ATTACH LIST)                                 | \$ 4,232,469       | \$ 4,351,606     | \$ 4,351,606     | \$ 4,351,606     |
| 16. TOTAL ASSETS  | \$ 22,235,693      | \$ 23,657,983    | \$ 23,813,236    | \$ 23,713,475    |
| <b>POSTPETITION LIABILITIES</b>                         |                    |                  |                  |                  |
| 17. ACCOUNTS PAYABLE                                    |                    | \$ 387,360       | \$ 406,522       | \$ 406,522       |
| 18. TAXES PAYABLE                                       |                    | \$ -             | \$ -             |                  |
| 19. NOTES PAYABLE                                       |                    | \$ 927,456       | \$ 927,456       | \$ 927,456       |
| 20. PROFESSIONAL FEES                                   |                    | \$ -             | \$ -             |                  |
| 21. SECURED DEBT  |                    |                  |                  |                  |
| 22. OTHER (ATTACH LIST)                                 |                    | \$ 30,584,453    | \$ 30,754,935    | \$ 30,843,783    |
| 23. TOTAL POSTPETITION LIABILITIES                      |                    | \$ 31,899,269    | \$ 32,088,913    | \$ 32,177,761    |
| <b>PREPETITION LIABILITIES</b>                          |                    |                  |                  |                  |
| 24. SECURED DEBT  | \$ 162,255,970     | \$ 162,255,970   | \$ 162,255,970   | \$ 162,255,970   |
| 25. PRIORITY DEBT                                       | \$ 9,016           | \$ 9,016         | \$ 9,016         | \$ 9,016         |
| 26. UNSECURED DEBT                                      | \$ 2,169,364       | \$ 2,145,607     | \$ 2,145,607     | \$ 2,145,607     |
| 27. OTHER (ATTACH LIST)                                 | \$ 20,643,711      | \$ 20,643,711    | \$ 20,643,711    | \$ 20,643,711    |
| 28. TOTAL PREPETITION LIABILITIES                       | \$ 185,078,061     | \$ 185,054,304   | \$ 185,054,304   | \$ 185,054,304   |
| 29. TOTAL LIABILITIES                                   | \$ 185,078,061     | \$ 216,953,573   | \$ 217,143,217   | \$ 217,232,065   |
| <b>EQUITY</b>   |                    |                  |                  |                  |
| 30. PREPETITION OWNERS' EQUITY                          |                    | \$ (162,828,400) | \$ (162,828,400) | \$ (162,828,400) |
| 31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)            |                    | \$ (12,490,619)  | \$ (12,525,010)  | \$ (12,713,619)  |
| 32. DIRECT CHARGES TO EQUITY (ATTACH<br>EXPLANATION)    |                    | \$ (17,976,571)  | \$ (17,976,571)  | \$ (17,976,571)  |
| 33. TOTAL EQUITY  |                    | \$ (193,295,590) | \$ (193,329,981) | \$ (193,518,590) |
| 34. TOTAL LIABILITIES & OWNERS' EQUITY                  |                    | \$ 23,657,983    | \$ 23,813,236    | \$ 23,713,475    |

**Monthly Operating Report**

Accrual Basis - 2

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
| <b>CASE NUMBER:</b> | 16-33174-hdh-11                   |

**INCOME STATEMENT**

|   | August 2017  | September 2017 | October 2017 |
|---|--------------|----------------|--------------|
| <b>REVENUES</b>                                   |              |                |              |
| 1. GROSS REVENUES                                 | \$ 12,481    | \$ 13,249      | \$ 18,229    |
| 2. LESS: RETURNS & DISCOUNTS                      |              |                |              |
| 3. NET REVENUE                                    | \$ 12,481    | \$ 13,249      | \$ 18,229    |
| <b>COST OF GOODS SOLD</b>                         |              |                |              |
| 4. MATERIAL                                       |              |                |              |
| 5. DIRECT LABOR                                   |              |                |              |
| 6. DIRECT OVERHEAD                                |              |                |              |
| 7. TOTAL COST OF GOODS SOLD                       |              |                |              |
| 8. GROSS PROFIT                                   | \$ 12,481    | \$ 13,249      | \$ 18,229    |
| <b>OPERATING EXPENSES</b>                         |              |                |              |
| 9. OFFICER/INSIDER COMPENSATION                   |              |                |              |
| 10. SELLING & MARKETING                           |              |                |              |
| 11. GENERAL & ADMINISTRATIVE                      | \$ 134,358   | \$ 46,014      | \$ 211,834   |
| 12. RENT & LEASE                                  |              |                |              |
| 13. OTHER (ATTACH LIST)                           |              |                |              |
| 14. TOTAL OPERATING EXPENSES                      | \$ 134,358   | \$ 46,014      | \$ 211,834   |
| 15. INCOME BEFORE NON-OPERATING INCOME & EXPENSES | \$ (121,877) | \$ (32,765)    | \$ (193,605) |
| <b>OTHER INCOME &amp; EXPENSES</b>                |              |                |              |
| 16. NON-OPERATING INCOME (ATTACH LIST)            | \$ 3,311     | \$ -           | \$ 6,623     |
| 17. NON-OPERATING EXPENSE (ATTACH LIST)           |              |                |              |
| 18. INTEREST EXPENSE                              | \$ -         | \$ -           | \$ -         |
| 19. DEPRECIATION/DEPLETION                        | \$ -         | \$ -           | \$ -         |
| 20. AMORTIZATION                                  |              |                |              |
| 21. OTHER (ATTACH LIST)                           |              |                |              |
| 22. NET OTHER INCOME & EXPENSES                   | \$ 3,311     | \$ -           | \$ 6,623     |
| <b>REORGANIZATION EXPENSES</b>                    |              |                |              |
| 23. PROFESSIONAL FEES                             |              |                |              |
| 24. U.S. TRUSTEE FEES                             |              | \$ (1,625)     | \$ (1,627)   |
| 25. OTHER (ATTACH LIST)                           |              |                |              |
| 26. TOTAL REORGANIZATION EXPENSES                 |              |                |              |
| 27. INCOME TAX                                    |              |                |              |
| 28. NET PROFIT (LOSS)                             | \$ (118,565) | \$ (34,390)    | \$ (188,609) |

**Monthly Operating Report**

Accrual Basis - 3

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
| <b>CASE NUMBER:</b> | 16-33174-hdh-11                   |

| <b>CASH RECEIPTS AND DISBURSEMENTS</b>    | August 2017 | September 2017 | October 2017 | Quarter    |
|---|-------------|----------------|--------------|------------|
| 1. CASH - BEGINNING OF MONTH              | \$ 5,637    | \$ 66,774      | \$ 203,062   |            |
| <b>RECEIPTS FROM OPERATIONS</b>           |             |                |              |            |
| 2. CASH SALES                             |             |                |              | \$ -       |
| <b>COLLECTIONS OF ACCOUNTS RECEIVABLE</b> |             |                |              |            |
| 3. PREPETITION                            |             |                |              | \$ -       |
| 4. POSTPETITION                           | \$ 10,163   | \$ -           | \$ 38,332    | \$ 48,495  |
| 5. TOTAL OPERATING RECEIPTS               | \$ 10,163   | \$ -           | \$ 38,332    | \$ 48,495  |
| <b>NON-OPERATING RECEIPTS</b>             |             |                |              |            |
| 6. LOANS & ADVANCES (ATTACH LIST)         | \$ 185,263  | \$ 157,414     | \$ 82,324    | \$ 425,001 |
| 7. SALE OF ASSETS                         |             |                |              | \$ -       |
| 8. OTHER (ATTACH LIST)                    | \$ 3,958    | \$ -           | \$ 6,623     | \$ 10,581  |
| 9. TOTAL NON-OPERATING RECEIPTS           | \$ 189,221  | \$ 157,414     | \$ 88,947    | \$ 435,582 |
| 10. TOTAL RECEIPTS                        | \$ 199,384  | \$ 157,414     | \$ 127,279   | \$ 484,077 |
| 11. TOTAL CASH AVAILABLE                  | \$ 205,021  | \$ 224,188     | \$ 330,341   | \$ 759,550 |
| <b>OPERATING DISBURSEMENTS</b>            |             |                |              |            |
| 12. NET PAYROLL                           | \$ 8,206    | \$ 12,630      | \$ 70        | \$ 20,906  |
| 13. PAYROLL TAXES PAID                    | \$ 8,248    | \$ -           | \$ -         | \$ 8,248   |
| 14. BANK CHARGES                          | \$ 45       | \$ 196         | \$ 25        | \$ 266     |
| 15. CONTRACT OPERATING SERVICES           | \$ 81,748   | \$ -           | \$ 205,064   | \$ 286,812 |
| 16. DIRECT MARKETING SERVICES             | \$ 40,000   | \$ -           | \$ -         | \$ 40,000  |
| 17. PERMITS                               | \$ -        | \$ 6,675       | \$ 6,675     | \$ 13,350  |
| 18. INVENTORY PURCHASES                   |             |                |              | \$ -       |
| 19. VEHICLE EXPENSES                      |             |                |              | \$ -       |
| 20. TRAVEL                                |             |                |              | \$ -       |
| 21. ENTERTAINMENT                         |             |                |              | \$ -       |
| 22. REPAIRS & MAINTENANCE                 |             |                |              | \$ -       |
| 23. SUPPLIES                              |             |                |              | \$ -       |
| 24. LOANS & ADVANCES                      |             |                |              | \$ -       |
| 25. OTHER (ATTACH LIST)                   | \$ -        | \$ -           | \$ -         | \$ -       |
| 26. TOTAL OPERATING DISBURSEMENTS         | \$ 138,247  | \$ 19,501      | \$ 211,834   | \$ 369,582 |
| <b>REORGANIZATION EXPENSES</b>            |             |                |              |            |
| 27. PROFESSIONAL FEES                     |             |                |              | \$ -       |
| 28. U.S. TRUSTEE FEES                     |             | \$ 1,625       | \$ 1,627     | \$ 3,252   |
| 29. OTHER (ATTACH LIST)                   |             |                |              | \$ -       |
| 30. TOTAL REORGANIZATION EXPENSES         | \$ -        | \$ 1,625       | \$ 1,627     | \$ 3,252   |
| 31. TOTAL DISBURSEMENTS                   | \$ 138,247  | \$ 21,126      | \$ 213,461   | \$ 372,834 |
| 32. NET CASH FLOW                         | \$ 61,137   | \$ 137,913     | \$ (84,555)  | \$ 114,495 |
| 33. CASH - END OF MONTH                   | \$ 66,774   | \$ 203,062     | \$ 116,880   | \$ 386,716 |

**Monthly Operating Report**

Accrual Basis - 4

|                     |                                   |
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| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
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MONTH: October

| <b>ACCOUNTS RECEIVABLE AGING</b>   | <b>SCHEDULE<br/>AMOUNT</b> | <b>August 2017</b> | <b>September 2017</b> | <b>October 2017</b> |
|------------------------------------|----------------------------|--------------------|-----------------------|---------------------|
| 1. 0 - 30                          |                            | \$ 17,978          | \$ 36,943             | \$ 23,363           |
| 2. 31 - 60                         |                            |                    |                       |                     |
| 3. 61 - 90                         |                            |                    |                       |                     |
| 4. 91 +                            |                            |                    |                       |                     |
| 5. TOTAL ACCOUNTS RECEIVABLE       | \$ -                       | \$ 17,978          | \$ 36,943             | \$ 23,363           |
| 6. AMOUNT CONSIDERED UNCOLLECTIBLE |                            |                    |                       |                     |
| 7. ACCOUNTS RECEIVABLE (NET)       | \$ -                       | \$ 17,978          | \$ 36,943             | \$ 23,363           |

| <b>AGING OF POSTPETITION TAXES<br/>AND PAYABLES</b> | <b>0 - 30<br/>DAYS</b> | <b>31-60<br/>DAYS</b> | <b>61-90<br/>DAYS</b> | <b>90+<br/>DAYS</b> | <b>Total</b> |
|---|------------------------|-----------------------|-----------------------|---------------------|--------------|
| <b>TAXES PAYABLE</b>                                |                        |                       |                       |                     |              |
| 1. FEDERAL  | \$ -                   |                       |                       |                     | \$ -         |
| 2. STATE  | \$ -                   |                       |                       |                     | \$ -         |
| 3. LOCAL  |                        |                       |                       |                     | \$ -         |
| 4. OTHER (ATTACH LIST)                              |                        |                       |                       |                     | \$ -         |
| 5. TOTAL TAXES PAYABLE                              | \$ -                   | \$ -                  | \$ -                  | \$ -                | \$ -         |
| 6. ACCOUNTS PAYABLE                                 | -                      | 19,162                | 19                    | 387,341             | \$ 406,522   |

| <b>STATUS OF POSTPETITION TAXES</b> | <b>BEGINNING<br/>TAX<br/>LIABILITY</b> | <b>AMOUNT<br/>WITHHELD<br/>OR ACCRUED</b> | <b>AMOUNT<br/>PAID</b> | <b>ENDING<br/>TAX<br/>LIABILITY</b> |
|-------------------------------------|--|---|------------------------|-------------------------------------|
| <b>FEDERAL</b>                      |  |   |                        |                                     |
| 1. WITHHOLDING                      | \$ -                                   |   |                        | \$ -                                |
| 2. FICA-EMPLOYEE                    | \$ -                                   |   |                        | \$ -                                |
| 3. FICA-EMPLOYER                    | \$ -                                   |   |                        | \$ -                                |
| 4. UNEMPLOYMENT                     | \$ -                                   |   |                        | \$ -                                |
| 5. INCOME                           |  |   |                        | \$ -                                |
| 6. OTHER (ATTACH LIST)              |  |   |                        | \$ -                                |
| 7. TOTAL FEDERAL TAXES              | \$ -                                   | \$ -                                      | \$ -                   | \$ -                                |
| <b>STATE AND LOCAL</b>              |  |   |                        |                                     |
| 8. WITHHOLDING                      | \$ -                                   |   |                        | \$ -                                |
| 9. SALES                            |  |   |                        | \$ -                                |
| 10. EXCISE                          |  |   |                        | \$ -                                |
| 11. UNEMPLOYMENT                    |  |   |                        | \$ -                                |
| 12. REAL PROPERTY                   |  |   |                        | \$ -                                |
| 13. PERSONAL PROPERTY               |  |   |                        | \$ -                                |
| 14. OTHER (ATTACH LIST)             |  |   |                        | \$ -                                |
| 15. TOTAL STATE & LOCAL             | \$ -                                   |   |                        | \$ -                                |
| 16. TOTAL TAXES                     | \$ -                                   | \$ -                                      | \$ -                   | \$ -                                |

**Monthly Operating Report**

Accrual Basis - 5

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
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| <b>BANK RECONCILIATIONS</b>         | <b>Acct #1</b>   | <b>Acct #2</b> | <b>Acct #3</b> |            |
|-------------------------------------|------------------|----------------|----------------|------------|
| A. BANK:                            | TB&T             |                |                | TOTAL      |
| B. ACCOUNT NUMBER:                  | 9683             |                |                |            |
| C. PURPOSE (TYPE):                  | General Checking |                |                |            |
| 1. BALANCE PER BANK STATEMENT       | \$ 116,880       |                |                | \$ 116,880 |
| 2. ADD: TOTAL DEPOSITS NOT CREDITED |                  |                |                | \$ -       |
| 3. SUBTRACT: OUTSTANDING CHECKS     | \$ -             |                |                | \$ -       |
| 4. OTHER RECONCILING ITEMS          |                  |                |                | \$ -       |
| 5. MONTH END BALANCE PER BOOKS      | \$ 116,880       |                | \$ -           | \$ 116,880 |
| 6. NUMBER OF LAST CHECK WRITTEN     | 1004             |                |                |            |

| <b>INVESTMENT ACCOUNTS</b>  | <b>DATE OF PURCHASE</b> | <b>TYPE OF INSTRUMENT</b> | <b>PURCHASE PRICE</b> | <b>CURRENT VALUE</b> |
|-----------------------------|-------------------------|---------------------------|-----------------------|----------------------|
| BANK, ACCOUNT NAME & NUMBER |                         |                           |                       |                      |
| 7.                          |                         |                           |                       |                      |
| 8.                          |                         |                           |                       |                      |
| 9.                          |                         |                           |                       |                      |
| 10.                         |                         |                           |                       |                      |
| 11. TOTAL INVESTMENTS       |                         |                           | \$ -                  | \$ -                 |

|                               |            |
|-------------------------------|------------|
| <b>CASH</b>                   |            |
| 12. CURRENCY ON HAND          | \$ -       |
| 13. TOTAL CASH - END OF MONTH | \$ 116,880 |

**Monthly Operating Report**

Accrual Basis - 6

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
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MONTH: October**PAYMENTS TO INSIDERS AND PROFESSIONALS**

| INSIDERS                   |                 |             |                |
|----------------------------|-----------------|-------------|----------------|
| NAME                       | TYPE OF PAYMENT | AMOUNT PAID | TTL PD TO DATE |
| 1.                         |                 |             |                |
| 2.                         |                 |             |                |
| 3.                         |                 |             |                |
| 4.                         |                 |             |                |
| 5.                         |                 |             |                |
| TOTAL PAYMENTS TO INSIDERS |                 | \$ -        | \$ -           |

| PROFESSIONALS                   |  |                    |                |                     |                            |
|---------------------------------|--|--------------------|----------------|---------------------|----------------------------|
| NAME                            | DATE OF COURT ORDER<br>AUTHORIZING PAYMENT | AMOUNT<br>APPROVED | AMOUNT<br>PAID | TTL PAID<br>TO DATE | TOTAL INCURRED<br>& UNPAID |
| 1.                              |  |                    |                |                     |                            |
| 2.                              |  |                    |                |                     |                            |
| 3.                              |  |                    |                |                     |                            |
| 4.                              |  |                    |                |                     |                            |
| 5.                              |  |                    |                |                     |                            |
| TOTAL PAYMENTS TO PROFESSIONALS |  | \$ -               | \$ -           | \$ -                | \$ -                       |

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

| NAME OF CREDITOR | SCHEDULED<br>MONTHLY<br>PAYMENTS<br>DUE | AMOUNTS<br>PAID<br>DURING<br>MONTH | TOTAL<br>UNPAID<br>POST-<br>PETITION |
|------------------|---|------------------------------------|--------------------------------------|
| 1.               |   |                                    |                                      |
| 2.               |   |                                    |                                      |
| 3.               |   |                                    |                                      |
| 4.               |   |                                    |                                      |
| 5.               |   |                                    |                                      |
| 6. TOTAL         | \$ -                                    | \$ -                               | \$ -                                 |

**Monthly Operating Report**  
Accrual Basis - 7

**2017**

|                     |                                   |
|---------------------|-----------------------------------|
| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
| <b>CASE NUMBER:</b> | 16-33174-hdh-11                   |

MONTH: October

**QUESTIONNAIRE**

|  | YES | NO |
|--|-----|----|
| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD? |     | X  |
| 2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?             |     | X  |
| 3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?                 |     | X  |
| 4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?                         |     | X  |
| 5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?                               |     | X  |
| 6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?  |     | X  |
| 7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?  |     | X  |
| 8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?  | X   |    |
| 9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?  | X   |    |
| 10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?   | X   |    |
| 11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?                                    |     | X  |
| 12. ARE ANY WAGE PAYMENTS PAST DUE?  |     | X  |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES", PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSURANCE**

|  | YES | NO |
|--|-----|----|
| 1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT? | X   |    |
| 2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?  | X   |    |
| 3. PLEASE ITEMIZE POLICIES BELOW   |     |    |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSTALLMENT PAYMENTS**

| TYPE OF POLICY | CARRIER | PERIOD COVERED | PAYMENT AMOUNT & FREQUENCY |
|----------------|---------|----------------|----------------------------|
|                |         |                |                            |
|                |         |                |                            |
|                |         |                |                            |
|                |         |                |                            |
|                |         |                |                            |



**Monthly Operating Report**

Accrual Basis - 1

|                     |                                   |
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| <b>CASE NAME:</b>   | Rincon Island Limited Partnership |
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| ATTACHMENT  | August 2017            | September 2017         | October 2017           |
|---|------------------------|------------------------|------------------------|
| <b>OTHER ASSETS (ATTACH LIST)</b>                       |                        |                        |                        |
| 15 Escrow Fund  | \$ 1,057,835           | \$ 1,057,835           | \$ 1,057,835           |
| 15 Performance Bond                                     | \$ 3,292,100           | \$ 3,292,100           | \$ 3,292,100           |
| 15 Prepayments  | \$ 1,671               | \$ 1,671               | \$ 1,671               |
| <b>15 TOTAL OTHER ASSETS</b>                            | <b>\$ 4,351,606</b>    | <b>\$ 4,351,606</b>    | <b>\$ 4,351,606</b>    |
| <b>OTHER LIABILITIES (ATTACH LIST)</b>                  |                        |                        |                        |
| 22 Accrued Wages/Interest/Taxes                         | \$ -                   | \$ -                   | \$ -                   |
| 22 Capitalized Loan Interest                            | \$ 9,820,732           | \$ 9,820,732           | \$ 9,820,732           |
| 22 Due Affiliate - Loan Adjustment                      | \$ 14,739,474          | \$ 14,739,474          | \$ 14,739,474          |
| 22 Due Affiliate  | \$ 5,794,917           | \$ 5,802,269           | \$ 5,802,269           |
| 22 Accrued Property Taxes                               | \$ 10,272              | \$ 10,272              | \$ 10,272              |
| 22. UBS Loan/Funding                                    | \$ 185,263             | \$ 342,676             | \$ 425,000             |
| 22 Royalties Payable                                    | \$ 33,796              | \$ 39,512              | \$ 46,035              |
| <b>22 TOTAL OTHER LIABILITIES</b>                       | <b>\$ 30,584,453</b>   | <b>\$ 30,754,935</b>   | <b>\$ 30,843,783</b>   |
| <b>OPERATING EXPENSE - OTHER</b>                        |                        |                        |                        |
| 13 General Operating                                    |                        |                        |                        |
| 13 Property & Payroll Taxes                             |                        |                        |                        |
| 13 Other  |                        |                        |                        |
| <b>13 TOTAL OPERATING EXPENSES - OTHER</b>              | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            |
| <b>OTHER INCOME &amp; EXPENSES</b>                      |                        |                        |                        |
| 16 Rents/Bond Increase(Decrease)                        | \$ 3,311               | \$ -                   | \$ 6,623               |
| 16 Accounts Receivable Adjustments                      |                        |                        |                        |
| 21 Income Tax   |                        |                        | \$ -                   |
| <b>16 OTHER INCOME &amp; EXPENSES</b>                   | <b>\$ 3,311</b>        | <b>\$ -</b>            | <b>\$ 6,623</b>        |
| <b>NON-OPERATING RECEIPTS</b>                           |                        |                        |                        |
| 6 Inter-Company Advance / Notes Payable                 | \$ 185,263             | \$ 157,414             | \$ 82,324              |
| 8 Vendor Refund/Other                                   | \$ 647                 | \$ -                   | \$ -                   |
| 8 Rents   | \$ 3,311               | \$ -                   | \$ 6,623               |
| <b>10 TOTAL RECEIPTS</b>                                | <b>\$ 189,221</b>      | <b>\$ 157,414</b>      | <b>\$ 88,947</b>       |
| <b>OPERATING DISBURSEMENTS</b>                          |                        |                        |                        |
| 25 Lease Improvements                                   |                        |                        |                        |
| 25 Employee Benefits                                    |                        |                        |                        |
| 25 Outside Services                                     |                        |                        |                        |
| 25 Royalty Payments                                     |                        |                        |                        |
| 25 Other  |                        |                        |                        |
| <b>25 OTHER</b>   | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            |
| <b>DIRECT CHARGES TO EQUITY</b>                         |                        |                        |                        |
| 32 Adjust Bond Value in Accordance with GAAP            | \$ 269,650             | \$ 269,650             | \$ 269,650             |
| 32 Adjust for Prior Period Corrections/Estimations      | \$ 146,059             | \$ 146,059             | \$ 146,059             |
| 32 Under Reported Prepetition Liabilities-Related Party | \$ (3,602,348)         | \$ (3,602,348)         | \$ (3,602,348)         |
| 32 Reclassified OPEX as Capital Asset                   | \$ 436,293             | \$ 436,293             | \$ 436,293             |
| 32 Adjust InterCo Loan to Actual                        | \$ (14,739,474)        | \$ (14,739,474)        | \$ (14,739,474)        |
| 32 BDO 2016 Audit Adjustment                            | \$ (486,751)           | \$ (486,751)           | \$ (486,751)           |
| <b>32 TOTAL DIRECT CHARGES TO EQUITY</b>                | <b>\$ (17,976,571)</b> | <b>\$ (17,976,571)</b> | <b>\$ (17,976,571)</b> |